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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 1992 Commission File Number 0-10071

NOBEL INSURANCE LIMITED

(Exact name of registrant as specified in its charter)

BEST COPY
AVAILABLE

ISLANDS OF BERMUDA (State or other jurisdiction of incorporation or organization)	98-0076395 (I.R.S. Employer Identification No.)
Washington Mall I, 3rd Floor Reid Street; P. O. Box HM224 Hamilton, Bermuda HMDX (Address of principal executive offices)	None (Zip Code)

Registrant's telephone number, including area code: (809)292-7104.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.

YES _X_ NO ___

Number of Common Shares, $1.00 Par Value, outstanding at March 31, 1992:

6,563,671

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Part I: FINANCIAL INFORMATION

Item 1: Financial Statements

NOBEL INSURANCE LIMITED
CONSOLIDATED BALANCE SHEETS
(Expressed in United States Dollars)

(In thousands)	March 31, 1992	December 31, 1991
ASSETS		
Investments:		
Short-term investments, at cost, which approximates market	$ 11,794	$ 15,478
Bonds and notes, at amortized cost (market value $77,993 at March 31, 1992 and $78,563 at December 31, 1991)	78,737	76,768
Redeemable preferred stock, at amortized cost (market value $737 at March 31, 1992 and $536 at December 31, 1991)	637	536
Total investments	91,168	92,782
Cash	1,598	1,007
Funds held by reinsured companies	5,585	5,730
Premiums receivable less allowance for doubtful accounts ($1,420 at March 31, 1992 and $1,431 at December 31, 1991)	1,749	4,059
Accrued interest income	678	841
Other receivables	4,288	4,499
Property and equipment less accumulated depreciation ($1,538 at March 31, 1992 and $1,479 at December 31, 1991)	1,463	1,537
Computer software, net of amortization	474	528
Deferred acquisition costs	1,183	1,572
Goodwill, net of amortization	979	993
Other assets	209	257
Total assets	$109,374	$113,805

(See Accompanying Notes to Consolidated Financial Statements)

NOBEL INSURANCE LIMITED
CONSOLIDATED BALANCE SHEETS
(Expressed in United States Dollars)
(Continued)

(In thousands)	March 31, 1992	December 31, 1991
LIABILITIES		
Reserve for claims and claims expenses	$ 70,400	$ 72,954
Unearned premiums	6,170	8,086
Accounts payable and accrued liabilities	3,846	3,637
Deferred gain on disposal of business	731	795
Deferred service fee income	423	613
Liability for purchase of EPIC minority interest shares	–	1,282
Notes payable and obligations under capital lease	678	727
Total liabilities	82,248	88,094
SHAREHOLDERS' EQUITY		
Capital shares (Authorized 20,000,000 shares; $1 par value; outstanding 6,563,671 shares at March 31, 1992 and December 31, 1991)	7,068	7,068
Contributed surplus	42,518	42,518
Retained earnings (deficit)	(20,488)	(21,903)
Treasury stock	(1,972)	(1,972)
Total shareholders' equity	27,126	25,711
Commitments and Contingencies		
Total liabilities and shareholders' equity	$109,374	$113,805
Book value per share	$4.13	$3.92

(See Accompanying Notes to Consolidated Financial Statements)

NOBEL INSURANCE LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Expressed in United States Dollars)

(In thousands except per share data)	Three Months Ended March 31, 1992	1991
Revenues:		
Premiums written	$ 3,432	$ 1,940
Reinsurance purchased	(2,132)	(1,472)
(Increase) decrease in unearned premiums	1,916	1,258
Net premiums earned	3,216	1,726
Interest income, net of investment expenses	1,309	1,754
Realized investment gains	112	219
Other income	64	--
Total revenues	4,701	3,699
Expenses:		
Claims and claims expenses	1,627	1,526
Service fees and commissions	205	(482)
General and administrative expenses	1,454	1,752
Total expenses	3,286	2,796
Operating income before minority interest	1,415	903
Minority interest	--	(91)
Net income	1,415	812
Retained earnings (deficit) at beginning of period	(21,903)	(30,763)
Retained earnings (deficit) at end of period	$ (20,488)	$ (29,951)

(See Accompanying Notes to Consolidated Financial Statements)

NOBEL INSURANCE LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Continued)

(In thousands except per share data)	Three Months Ended March 31, 1992	1991
Earnings per capital share:		
Operating income	$ .22	$ .13
Minority interest	—	(.01)
Net income per capital share	$ .22	$ .12
Average number of capital shares	6,563,671	6,970,336
Claim ratio	50.6%	88.4%
Expense ratio	112.4%	260.2%
Combined ratio	163.0%	348.6%

(See Accompanying Notes to Consolidated Financial Statements)

NOBEL INSURANCE LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in United States Dollars)

(In thousands)	Three months ended March 31, 1992	1991
Cash flows from operating activities:		
Net income	$ 1,415	$ 812
Items not requiring (providing) cash:		
Depreciation and amortization	230	160
Change in deferred acquisition costs	389	244
(Decrease) in reserve for claims and claims expenses	(2,554)	(3,755)
(Decrease) in unearned premiums	(1,916)	(1,258)
(Increase) in accounts payable and accrued liabilities	209	(737)
(Decrease) in deferred service fee income	(190)	(188)
Increase (decrease) in minority interest	–	91
(Increase) decrease in premiums receivable	2,310	654
(Increase) decrease in accrued interest	163	385
(Increase) decrease in other receivables	211	102
(Increase) decrease in other assets	75	55
(Increase) decrease in funds held by reinsurance companies	145	(210)
Realized investment (gains) losses	(112)	(235)
(Gains) losses on disposal of other assets	–	(41)
Net cash provided from (used by) operating activities	375	(3,839)
Cash flows from investing activities:		
Sale of bonds and notes	6,040	11,670
Sale of equity investments	–	4,516
Purchase of bonds and notes	(7,982)	(3,062)
Purchase of equities	–	(4,499)
Purchase of preferred stock	(101)	--
Expense of purchase of LPG Risk Retention Group Holding Company, Inc.	(29)	--
Increase (decrease in deferred gain on disposal of business)	(64)	--
Net additions to property and equipment	(1)	(76)
Software purchased	–	(24)
Net cash provided from (used by) investing activities	(2,137)	8,525

(See Accompanying Notes to Consolidated Financial Statements)

NOBEL INSURANCE LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in United States Dollars)
(Continued)

(In thousands)	Three months ended March 31, 1992	1991
Cash flows from financing activities:		
(Decrease) in notes payable and capital lease obligation	(49)	(21)
Proceeds from issuance of common shares	–	15
Increase in treasury stock	–	(57)
Purchase of EPIC minority interest	(1,282)	–
Net cash provided from (used by) financing activities	(1,331)	(63)
Net increase (decrease) in cash and cash equivalents	(3,093)	4,623
Cash and cash equivalents at beginning of period	16,485	24,901
Cash and cash equivalents at end of period	$ 13,392	$ 29,524

(See Accompanying Notes to Consolidated Financial Statements)

NOBEL INSURANCE LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Balance Sheets at March 31, 1992, and Consolidated Statements of Income and Retained Earnings for the three months ended March 31, 1992 and Consolidated Statements of Cash Flows for the three months ended March 31, 1992, have not been examined by independent accountants, but, in the opinion of Nobel Insurance Limited ("Company"), all adjustments (consisting only of normal accruals) necessary for a fair presentation of the financial position and results of operations for the periods indicated have been included.

The Company is a foreign corporation not, in management's opinion, engaged in a trade or business in any jurisdiction requiring the payment of taxes on income except for its United States subsidiaries (the "U.S. Group") who may ultimately pay United States taxes on their income.

United States income taxes have not been provided for on the operations of the U.S. Group for the three months ended March 31, 1992, as these operations do not anticipate any financial statement taxable income for 1992. At December 31, 1991, the U.S. Group had consolidated net operating losses of approximately $16,900,000 which may be carried forward for U.S. Federal income tax purposes. Such loss carryforwards expire beginning in 1994.

Insurance companies are required to provide reserves for the settlement and expense of investigation of all reported and unreported claims. Such provisions are necessarily based on estimates. The estimates, and the methods used to arrive at them, are periodically reviewed by the Company in consultation with professional actuaries and changes are reflected in current operating results.

The Company estimates claims and claims expenses based on historical experience and payment and reporting patterns for the type of risk involved. The anticipated effect of inflation is implicitly considered when estimating claims and claims expenses. The difference between the Company's reserves on a statutory basis and on the basis of generally accepted accounting principles is immaterial.

Inherent in the estimates of ultimate claims are expected trends in claim severity, frequency and other factors that may vary as claims are settled. The amount of uncertainty in the estimates is affected by such factors as the amount of historical claims experience relative to the development period for the type of risk, knowledge of the actual facts and circumstances, and the amount of insurance risk retained.

The Company experienced rapid growth in premiums between 1985 and 1988, particularly in the general liability and excess liability lines of business, which have extended claim development periods. During this period, the Company had also increased the amount of insurance risk it retained. Since 1989, the Company has implemented strategies to reduce

the amount of underwriting risk and refine the claims data available for actuarial analysis for its casualty coverages, and has maintained a conservative reserving philosophy to avoid recurrence of the adverse reserve development experienced prior to 1989. In combination with the additional claims development period, the amount of uncertainty in the estimates of ultimate claims while still inherently significant, is reduced.

At December 31, 1991, the Company reflected an IBNR on these casualty lines which represented the Company's best estimate of the reserve for claims and claims expense. The Company believes that, because of the reduction of the amount of uncertainty, such IBNR adequately provides for any probable adverse development of claims and claims expense. The favorable loss development trends which the Company has experienced since 1989 have continued to have a positive impact on earnings in 1992.

The outstanding balances for casualty and other coverages IBNR reserves were (in thousands):

Period	Reserve Balance	Expense
At March 31, 1992	$43,763	
Three months ended March 31, 1992		$ (1,719)
At December 31, 1991	$45,482	
At March 31, 1991	$48,608	
Three months ended March 31, 1991		$ (829)

An allowance for doubtful receivables is established when it becomes evident collection is doubtful. An allowance of $1,420,000 and $1,431,000 was established as of March 31, 1992 and December 31, 1991, respectively.

Net income and shareholders' equity of U.S. insurance subsidiaries, as filed with regulatory authorities on the basis of statutory accounting practices, are as follows (in thousands):

Period	Statutory Shareholders' Equity	Statutory Net Income
At March 31, 1992	$14,348	
Three months ended March 31, 1992		$ 856
At December 31, 1991	$13,409	
At March 31, 1991	$11,939	
Three months ended March 31, 1991		$ 503

The Company had consolidated EPIC and shown a minority interest in the consolidated financial statements. During 1991, the Company's ownership interest in EPIC increased to 100% as a result of EPIC's repurchase in the second and fourth quarters of the minority interest shares. Effective December 31, 1991, EPIC was amalgamated into NICI. The following proforma schedule shows the effect on net income, average shares outstanding and earnings per share had Nobel owned 100% of EPIC as of January 1, 1991. The proforma adjustment to operating income before minority interest was for imputed investment earnings on the cash purchase price.

	Three months ended March 31, 1991	
	As Reported	Proforma
Operating income before minority interest	$ 903	$ 872
Minority interest	(91)	--
Net income	$ 812	$ 872
Average capital shares outstanding	6,970,336	6,970,336
Earnings per share:		
Operating income	$ .13	$ .13
Minority interest	(.01)	--
Net income	$ .12	$ .13

The Company filed a Form 8-K with the SEC to report the acquisition of the LPG Risk Retention Group Holding Company, Inc. on April 10, 1992. The Company acquired 100% of the 8,000,000 shares as follows: 3,503,700 shares, or 44%, for $1.10 net cash per share pursuant to a tender offer commenced on March 12, 1992; 3,051,824 shares, or 38%, from the LP Gas Risk Retention Group Safety Foundation in consideration for extinguishment of unpaid debt principal and interest it owed to the Company; and 1,444,476 shares, or 18%, for $1.10 net cash rights per share from minority shareholders pursuant to a cash-out merger under Delaware law on April 14, 1992. The acquisition will be accounted as a purchase and will result in approximately $829,000 goodwill which will be amortized on a declining balance basis over five years to match investment earnings on assets supporting the purchased run-off insurance liabilities. The following table gives proforma effect to the acquisition of 100% of the outstanding stock of LPG Holding as if the transaction occurred on January 1, 1992:

	Three months ended March 31, 1992	
	As Reported	Proforma
Revenues:		
Net premiums written	$ 1,300	$ 2,226
Net premiums earned	$ 3,216	$ 4,513
Interest income	1,309	1,517
Realized investment gains	112	261
Other income	64	64
Total	4,701	6,355
Expenses:		
Claims and claims expense	1,627	2,711
Operating expenses	1,659	2,366
Total	3,286	5,077
Net income	$ 1,415	$ 1,278
Net income per share	$ .22	$ .19

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

The principal cash requirements of the Company consist of claims payments and operating expenses. The Nobel U.S. Group's non-insurance operations incur substantially all of the administrative expenses. The principal sources of cash to pay these expenses are service fees and commissions based on premiums and administrative service fees from the Domestic Companies and the Nobel Reinsurers.

The source of liquidity for claims payments consists of net premiums, after deduction for expenses, plus investment income on the balances of such premiums prior to their use to pay claims. These invested balances are also used for collateral to secure the ceding insurers' reinsurance reserves. The collateral requirements for reinsurance ceded to the Nobel Reinsurers by INA is being satisfied by a combination of letters of credit and trust balances. The settlement of all claims and claims expenses is being withdrawn from the trust account or deducted from net reinsurance settlements into the trust account.

United States insurance regulations require the ceding insurers to maintain approved collateral for reinsurance balances, including reserves for unearned premiums and unpaid claims and claims expenses ceded to non-admitted reinsurers. The collateral requirements for reinsurance ceded to the Nobel Reinsurers by INA is being satisfied by a combination of letters of credit and trust fund balances. The combined amount of letters of credit and market value of trust assets at March 31, 1992 is $61,286,000.

The terms of the Nobel Reinsurers' letter of credit facility requires collateral equal to the amount of letters of credit issued plus a negotiated market value margin for investments other than short-term investments. At March 31, 1992, the collateral consisted of short-term bank deposits and AAA-rated fixed income securities which require a 5% margin.

At March 31, 1992, the Company had cash and investments of $92,766,000, of which $69,824,000 was collateralized or pledged to secure the U.S. insurers that have ceded reinsurance to the Company, and to maintain security deposits in the U.S. with various state insurance departments. A decreasing balance of cash and investments is consistent with the reduced premium levels since 1988 as the claims reserves associated with higher premium levels are settled.

The Company carries its investments designated as trading portfolio investments at market value. During the quarter, the Company sold $1,530,000 of trading portfolio investments to realize capital gains of $74,000. Generally, it is the intention of the Company to hold bonds and notes until maturity. The Company's investment guidelines prescribe a portfolio structure of maturities to provide adequate liquidity to settle claims liabilities. The portfolio continues to be conservatively invested in high quality money market securities, United States government securities and United States government guaranteed mortgage-backed securities.

Results of Operations
Three months 1992 versus Three months 1991

The composition of the net income for 1992 as compared to the net income for 1991 by type of operation is as follows:

	1992	1991
	(In thousands)	
Underwriting operations	$ (71)	$ (1,070)
Investment and other income	1,486	1,973
Minority interest	–	(91)
Net income	$ 1,415	$ 812

Premiums written increased $1,492,000, or 77%, over 1991. Reinsurance purchased increased $660,000, or 45%. Premium gains from new business continued in all programs. The premium declines experienced in the explosives casualty program in 1991 did not recur. Reinsurance purchased reflects the increased quota share cession for the low-value dwelling program which applied to the business in-force at January 1, 1992 and resulted in $511,600 additional premium to reinsure the unearned premium reserve. Premiums for the specialized haulers casualty program are generally recorded on a monthly reporting basis. Therefore, premium writings for this program will reflect the earned premium. Also, premium writings for the explosives casualty program are seasonally low in the first quarter. Premium writings for the LPG casualty program will commence during the second quarter.

The Company estimates claims and claims expenses based on historical experience and payment and reporting patterns for the type of risk involved. The favorable loss development trends which the Company has experienced since 1989 continued to have a positive impact on earnings. Favorable prior years' loss reserve development for the explosives casualty program contributed $750,000 to earnings in 1992 compared to $500,000 in 1991.

Expenses, which include net service fees and commissions and all general and administrative expenses, were 112% and 260% of net written premiums for 1992 and 1991, respectively. The following table shows the components of net service fees and commissions:

	Three months ended March 31	
	1992	1991
	(In thousands)	
Commissions, fronting, and taxes expense	$ 1,087	$ 104
Ceding commission income	(1,024)	(580)
Service fee income	(247)	(251)
Change in deferred acquisition costs	389	245
	$ 205	$ (482)

Commissions, fronting and taxes expense in 1991 reflected the premium declines in the explosives casualty program. Ceding commission income in 1992 reflected the increased quota share cession for the low-value dwelling program and included $204,000 related to the additional premium to reinsure the unearned premium reserve. General and administrative expenses decreased $298,000, or 17%, over 1991 and were on target with budgeted expenses.

The effect of inflation on net income was not significant to the Company's results during this period.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings
Not applicable.

Item 2. Changes in Securities
Not applicable.

Item 3. Defaults upon Senior Securities
Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders
At the Annual Meeting of Shareholders of the Company held on May 8, 1992, the following proposal was submitted to a vote of the shareholders of the Company:

(i) To approve an amendment to the Company's Non-Employee Directors Stock Option Plan that changes the valuation date of options granted under said plan to December 31. Such proposal was approved at the meeting with 5,270,276 votes cast in favor of the proposal, 60,807 votes cast against the proposal and 11,530 votes abstaining.

Item 5. Other Information
Not applicable.

Item 6. Exhibits and Reports on Form 8-K
The Company filed a Form 8-K Current Report of the acquisition, on April 10 and April 14, 1992, by Nobel Holdings, Inc., a Delaware corporation and wholly owned subsidiary, of 6,555,524 shares and 1,444,476 shares respectively, representing 100% of the issued and outstanding capital stock of LPG Risk Retention Group Holding Company, Inc. The Company filed with the Form 8-K the audited financial statements of the business acquired as of December 31, 1991

and unaudited proforma condensed consolidated balance sheet and statement of operations of the Company as of December 31, 1991.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto

NOBEL INSURANCE LIMITED

Jeffry K. Amsbaugh
Chief Executive Officer

Bryan L. Martin
Senior Vice President and
Treasurer

May 13, 1992